

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 605, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 4, line 28, delete "chair of the state advisory council on the
- 2 education of" and insert "**director of the division of special education**
- 3 **created under IC 20-1-6-2.1.**".
- 4 Page 4, delete line 29.
- 5 Page 4, between lines 33 and 34, begin a new line block indented
- 6 and insert:
- 7 **"(9) Three (3) parents of children who are enrolled in the:**
- 8 **(A) children's health insurance program under IC 12-17.6;**
- 9 **or**
- 10 **(B) Medicaid managed care program for children."**
- 11 Page 4, line 37, delete "and".
- 12 Page 4, line 37, after "3(8)" insert ", **and 3(9)**".
- 13 Page 5, line 7, delete "(a) Six (6)" and insert "**Eight (8)**".
- 14 Page 5, delete lines 9 through 10.
- 15 Page 9, between lines 3 and 4, begin a new paragraph and insert:
- 16 "SECTION 9. IC 12-8-1-14 IS ADDED TO THE INDIANA CODE
- 17 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 18 UPON PASSAGE]: **Sec. 14. The office of the secretary shall**
- 19 **improve its system through the use of technology and training of**
- 20 **staff to do the following:**

(1) Simplify, streamline, and destigmatize the eligibility and enrollment processes in all health programs serving children.

(2) Ensure an efficient provider payment system.

(3) Improve service to families.

(4) Improve data quality for program assessment and evaluation."

Page 10, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 11. IC 12-15-1-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 19. The office may, in administering managed care programs, contract with community entities, including private entities, to provide:**

(1) outreach for and enrollment in the managed care programs;

(2) services; and

(3) consumer education and public health education."

Page 11, line 7, delete "directing" and insert "**the board's responsibility to direct**".

Page 11, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 17. IC 12-15-33-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3. The committee shall be appointed as follows:**

(1) One (1) member shall be appointed by the administrator of the office to represent each of the following organizations:

(A) Indiana Council of Community Mental Health Centers.

(B) Indiana State Medical Association.

(C) Indiana State Chapter of the American Academy of Pediatrics.

(D) Indiana Hospital Association.

(E) Indiana Dental Association.

(F) Indiana State Psychiatric Association.

(G) Indiana State Osteopathic Association.

(H) Indiana State Nurses Association.

(I) Indiana State Licensed Practical Nurses Association.

(J) Indiana State Podiatry Association.

(K) Indiana Health Care Association.

(L) Indiana Optometric Association.

(M) Indiana Pharmaceutical Association.

- 1 (N) Indiana Psychological Association.
- 2 (O) Indiana State Chiropractic Association.
- 3 (P) Indiana Ambulance Association.
- 4 (Q) Indiana Association for Home Care.
- 5 (R) Indiana Academy of Ophthalmology.
- 6 (S) Indiana Speech and Hearing Association.
- 7 (2) ~~Eight (8)~~ **Ten (10)** members shall be appointed by the
- 8 governor as follows:
- 9 (A) One (1) member who represents agricultural interests.
- 10 (B) One (1) member who represents business and industrial
- 11 interests.
- 12 (C) One (1) member who represents labor interests.
- 13 (D) One (1) member who represents insurance interests.
- 14 (E) One (1) member who represents a statewide taxpayer
- 15 association.
- 16 **(F) Two (2) members who are parent advocates.**
- 17 ~~(F)~~ **(G) Three (3) members who represent Indiana citizens.**
- 18 (3) One (1) member shall be appointed by the president pro
- 19 tempore of the senate acting in the capacity as president pro
- 20 tempore of the senate to represent the senate.
- 21 (4) One (1) member shall be appointed by the speaker of the
- 22 house of representatives to represent the house of
- 23 representatives."

24 Page 11, line 17, after "the" insert "**extent to which**".

25 Page 11, delete lines 18 through 22, begin a new line block indented
26 and insert:

- 27 **"(1) families substitute coverage offered under the program**
- 28 **for employer sponsored health insurance coverage for**
- 29 **children; and**
- 30 **(2) employers:**
- 31 **(A) reduce or eliminate health insurance benefits for**
- 32 **children under an employer based health insurance plan;**
- 33 **or**
- 34 **(B) increase the employee's share of the cost of benefits for**
- 35 **children under an employer based health insurance plan**
- 36 **relative to the total cost of the plan;**
- 37 **as a result of the program."**

38 Page 12, line 7, delete "and evaluations".

1 Page 12, between lines 18 and 19, begin a new paragraph and insert:

2 "Sec. 7. (a) The office shall contract with an independent
3 organization to evaluate the program.

4 (b) An evaluation of the program must occur one (1) time every
5 two (2) years.

6 (c) The office shall report the results of each evaluation to the
7 children's health policy board established by IC 4-23-27-2.

8 (d) This section does not modify the requirements of other
9 statutes relating to the confidentiality of medical records.

10 Sec. 8. The office may, in administering the program, contract
11 with community entities, including private entities, to provide:

12 (1) outreach for and enrollment in the managed care
13 program;

14 (2) services; and

15 (3) consumer education and public health education.

16 Sec. 9. (a) The office shall incorporate creative methods,
17 reflective of community level objectives and input, to do the
18 following:

19 (1) Encourage beneficial and appropriate use of health care
20 services.

21 (2) Pursue efforts to enhance provider availability.

22 (b) In determining the best approach for each area, the office
23 shall, in collaboration with communities, do the following:

24 (1) Evaluate distinct market areas.

25 (2) Weigh the advantages and disadvantages of alternative
26 delivery models, including the following:

27 (A) Risk based managed care only.

28 (B) Primary care gatekeeper model only.

29 (C) A combination of clauses (A) and (B).

30 Sec. 10. (a) The office may establish a program to subsidize
31 employer sponsored coverage for:

32 (1) eligible individuals; and

33 (2) the families of eligible individuals;

34 consistent with federal law.

35 (b) If the office establishes a program under subsection (a), the
36 employer sponsored benefit package must comply with federal
37 law."

38 Page 12, line 19, delete "7" and insert "11".

- 1 Page 12, line 23, delete "8" and insert "**12**".
- 2 Page 12, line 26, delete "and".
- 3 Page 12, line 27, delete "." and insert **"; and**
- 4 **(3) children's health policy board established by**
- 5 **IC 4-23-27-2."**
- 6 Page 12, after line 42, begin a new line block indented and insert:
- 7 **"(6) Except as provided in subsection (b), the child must be**
- 8 **uninsured for a period that does not exceed three (3) months**
- 9 **as determined by the office.**
- 10 **(b) The following are exempt from the requirement under**
- 11 **subsection (a)(6):**
- 12 **(1) A child who is a member of the high risk pool and who has**
- 13 **ongoing medical needs.**
- 14 **(2) A child who loses coverage through the termination of a**
- 15 **parent's employer plan.**
- 16 **(3) A child whose parents have lost jobs with insurance**
- 17 **coverage.**
- 18 **(4) A child who loses insurance coverage due to the divorce of**
- 19 **the child's parents."**
- 20 Page 13, line 1, delete "(b)" and insert "(c)".
- 21 Page 13, line 11, delete "all".
- 22 Page 13, line 20, after "2." insert "(a)".
- 23 Page 13, line 20, delete ":" and insert **"focus on age appropriate**
- 24 **preventive, primary, and acute care services.**
- 25 **(b) The office shall offer health insurance coverage for the**
- 26 **following basic services:**
- 27 **(1) Inpatient and outpatient hospital services.**
- 28 **(2) Physicians' services provided by a physician (as defined in**
- 29 **42 U.S.C. 1395x(r)).**
- 30 **(3) Laboratory and x-ray services.**
- 31 **(4) Well-baby and well-child care, including:**
- 32 **(A) age appropriate immunizations; and**
- 33 **(B) periodic screening, diagnosis, and treatment services**
- 34 **according to a schedule developed by the office.**
- 35 **The office may offer services in addition to those listed in this**
- 36 **subsection if appropriations to the program exist to pay for the**
- 37 **additional services.**
- 38 **(c) The office shall offer health insurance coverage for the**

following additional services if the coverage for the services has an actuarial value equal to the actuarial value of the services provided by the benchmark program determined by the children's health policy board established by IC 4-23-27-2:

- (1) Prescription drugs.
- (2) Mental health services.
- (3) Vision services.
- (4) Hearing services.
- (5) Dental services.

(d) Notwithstanding subsections (b) and (c), the office may not impose treatment limitations or financial requirements on the coverage of services for a mental illness if similar treatment limitations or financial requirements are not imposed on coverage for services for other illnesses.

(e) The children's health policy board established by IC 4-23-27-2 shall annually:

- (1) review the benefits provided to program enrollees; and
- (2) adjust the benefits as needed to remain within the program's appropriations."

Page 13, delete lines 21 through 26.

Page 13, line 28, delete "to" and insert "by".

Page 13, line 37, delete "adopt rules under IC 4-22-2 to".

Page 13, line 39, delete "program benefits and".

Page 13, line 40, delete "Implement" and insert "Determine".

Page 14, line 10, delete "standards" and insert "mechanisms".

Page 14, between lines 12 and 13, begin a new paragraph and insert:

"Sec. 6. Community health centers shall be used to provide health care services."

Page 14, between lines 30 and 31, begin a new paragraph and insert:

"(c) If an enrollee in the Medicaid managed care program for children has direct access to a provider who has entered into a provider agreement under IC 12-15-11, an enrollee in the program has direct access to the same provider."

Page 16, line 26, delete ". The fund is a revolving fund".

Page 16, line 27, delete "all".

Page 16, line 28, delete "and".

Page 16, delete lines 29 through 32, begin a new line block indented and insert:

1 **"(2) services offered through the program for children**
 2 **enrolled in the program; and**
 3 **(3) services and administration eligible for reimbursement**
 4 **under Title XXI of the federal Social Security Act for children**
 5 **enrolled in Medicaid under IC 12-15-2-14."**

6 Page 19, between lines 10 and 11, begin a new paragraph and insert:

7 "SECTION 20. IC 35-43-5-7.1 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 7.1. ~~(a) Except as~~
 9 ~~provided in subsection (b);~~ A person who knowingly or intentionally:

10 (1) files a Medicaid claim, including an electronic claim, in
 11 violation of IC 12-15;

12 (2) obtains payment from the Medicaid program under IC 12-15
 13 by means of a false or misleading oral or written statement or
 14 other fraudulent means;

15 (3) acquires a provider number under the Medicaid program
 16 except as authorized by law;

17 (4) alters with the intent to defraud or falsifies documents or
 18 records of a provider (as defined in 42 CFR 1002.301) that are
 19 required to be kept under the Medicaid program; or

20 (5) conceals information for the purpose of applying for or
 21 receiving unauthorized payments from the Medicaid program;

22 commits Medicaid fraud, a Class D felony.

23 ~~(b) The offense described in subsection (a) is a Class C felony if the~~
 24 ~~fair market value of the claim or payment is at least fifty thousand~~
 25 ~~dollars (\$50,000)."~~

26 Page 19, line 13, delete "(a) Except as provided".

27 Page 19, line 14, delete "in subsection (b), a" and insert "A".

28 Page 19, delete lines 30 through 32.

29 Page 19, delete lines 37 through 41, begin a new paragraph and
 30 insert:

31 "SECTION 24. P.L.130-1998, SECTION 1, IS AMENDED TO
 32 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE] (a) As used
 33 in this SECTION, "committee" refers to the select joint committee on
 34 Medicaid oversight established by this SECTION.

35 (b) As used in this SECTION, "office" refers to the office of
 36 Medicaid policy and planning.

37 (c) The select joint committee on Medicaid oversight is established.

38 (d) The committee consists of twelve (12) voting members

1 appointed as follows:

2 (1) Six (6) members shall be appointed by the president pro
3 tempore of the senate, not more than three (3) of whom may be
4 from the same political party.

5 (2) Six (6) members shall be appointed by the speaker of the
6 house of representatives, not more than three (3) of whom may be
7 from the same political party.

8 (e) A vacancy on the committee shall be filled by the appointing
9 authority.

10 (f) The president pro tempore of the senate shall appoint a member
11 of the committee to serve as chairman of the committee from January
12 31, 1998, until December 31, 1998.

13 (g) The speaker of the house of representatives shall appoint a
14 member of the committee to serve as chairman of the committee from
15 January 1, 1999, until December 31, 1999.

16 (h) The committee shall meet at the call of the chairman.

17 (i) The committee shall study, investigate, and oversee the
18 following:

19 (1) Whether the contractor of the office under IC 12-15-30 that
20 has responsibility for processing provider claims for payment
21 under the Medicaid program has properly performed the terms of
22 the contractor's contract with the state.

23 (2) Legislative and administrative procedures that are needed to
24 eliminate Medicaid claims reimbursement backlogs, delays, and
25 errors.

26 (3) The establishment and implementation of a case mix
27 reimbursement system designed for Indiana Medicaid certified
28 nursing facilities developed by the office.

29 (4) Any other matter related to Medicaid.

30 **(5) All matters related to the children's health insurance**
31 **program established by IC 12-17.6.**

32 (j) If the office awards a contract for processing provider claims for
33 payment before January 1, 1999, the office shall submit the contract to
34 the:

35 (1) committee; and

36 (2) budget committee established by IC 4-12-1-3;

37 for review before signing the contract or a document related to the
38 contract.

1 (k) The committee is under the jurisdiction of the legislative
 2 council. The legislative services agency shall provide staff support to
 3 the committee.

4 (l) Unless specifically authorized by the legislative council, the
 5 chairman may not create subcommittees.

6 (m) The committee may not recommend proposed legislation to the
 7 general assembly unless the proposed legislation is approved by a
 8 majority of the voting members appointed to serve on the committee.

9 All votes taken by the committee must be:

10 (1) by roll call vote; and

11 (2) recorded.

12 (n) This SECTION expires December 31, ~~1999~~ **2002**.

13 SECTION 25. [EFFECTIVE UPON PASSAGE] **(a) The office may**
 14 **apply to the Secretary of the United States Department of Health**
 15 **and Human Services for a waiver to provide family coverage from**
 16 **the children's health insurance program under IC 12-17.6 when it**
 17 **is economically efficient to provide family coverage.**

18 **(b) This SECTION expires January 1, 2001."**

19 Renumber all SECTIONS consecutively.

(Reference is to SB 605 as introduced.)

and when so amended that said bill do pass.

Committee Vote: Yeas 9, Nays 0.

Miller

Chairperson